



PSC NEWS

Missouri Public Service Commission

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FY-02-173

PSC APPROVES AGREEMENT IN VERIZON CASE

Jefferson City (May 21, 2002)---The Missouri Public Service Commission has approved an agreement which authorizes the sale and transfer of 96 GTE Midwest Incorporated d/b/a Verizon Midwest exchanges serving customers in Missouri (including Columbia, Branson, Wentzville and Hermann) to CenturyTel of Missouri, LLC. As a result of the Commission's decision, Verizon Midwest local telephone customers will become local telephone customers of CenturyTel of Missouri, LLC. Verizon serves approximately 369,000 access lines in Missouri.

CenturyTel of Missouri LLC is a new corporation, formed for the purpose of acquiring and conducting Verizon's telecommunications business in Missouri. CenturyTel is a subsidiary of CenturyTel, Inc., which provides telecommunications services to over three million customers in 21 states.

The agreement approved by the Commission states that CenturyTel possesses adequate managerial, engineering and financial skills and resources sufficient to operate Verizon's Missouri system at the same level of quality as Verizon. CenturyTel will retain all of Verizon's current employees and contemplates no immediate changes in rates, terms and conditions of service.

The agreement approved by the Commission was submitted by Verizon Midwest, CenturyTel of Missouri LLC, the Office of the Public Counsel, the Staff of the Missouri Public Service Commission, AT&T Communications of the Southwest, Inc. and TCG St. Louis, Inc. The agreement was reached as a result of extensive negotiations conducted by the above parties. The Staff of the Missouri Public Service Commission stated that it "found no evidence to suggest that the transfer of assets is detrimental to the public interest". According to the joint applicants, the transition will be "seamless" from the customer's point of view.

Approving the joint application and agreement, the Commission noted: "CenturyTel is a member of a corporate family that constitutes a major provider of telecommunications services in the United States. At least two related entities--CenturyTel of Northwest Arkansas and Spectra Communications Group, LLC, d/b/a CenturyTel--already provide telecommunications services in Missouri at an acceptable

level of quality. CenturyTel possesses the experience, skills and financial resources to operate a 96-exchange incumbent local exchange company. Verizon desires to sell 96 local exchanges and to be relieved of its obligation to provide services with respect to those exchanges; CenturyTel desires to acquire those 96 exchanges and to assume the service obligations previously imposed upon Verizon.”

The Commission’s order further noted: “There is no evidence in the record suggesting that the acquisition will unduly burden CenturyTel’s finances or indicating a history of service quality problems. Verizon desires to sell the system and to be relieved of the obligations that go with it; CenturyTel desires to buy the system and to undertake the associated obligations. Based on the record before it, the Commission concludes that the transaction is not detrimental to the public interest and should be approved.”

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